

OUTBOX.13 (#2553)

TO: HQ1 @ SAMNET-EMH

FROM: NY @ SAMNET-EMH

SUBJECT: 207/0164 IMMEDIATE

DATE: 27 JUL 85 01:55:14 EDT

CC:

TEXT: VZCZCNY0164

OO HQ

DE NY #0164 2072405

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R 262333Z JUL 85

FM FBI NEW YORK (194A-500) (P) (TUMCON SPECIAL)

TO DIRECTOR FBI (194-5247) IMMEDIATE

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ATTN: FBIHQ SUPERVISOR

ATTN: FBIHQ SUPERVISOR

BT

UNCLAS

WILLIAM MASSELLI; JOSEPH GALIBER; BRIBERY; OO: NEW YORK

REFERENCE NEW YORK TELETYPE TO BUREAU, DATED JULY 12, 1985; NEW YORK TELETYPE TO BUREAU, DATED JUNE 25, 1985; AND BUREAU TELETYPE TO NEW YORK, DATED JUNE 28, 1985, CAPTIONED "30 AREAS OF INVESTIGATION RESULTING FROM THE REVIEW OF TUMCON FILE."

ON JULY 24, 1985, WRITER WAS TELEPHONICALLY CONTACTED

194A-500-94  
EX-194-500-94  
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[REDACTED] WHO ADVISED THAT HE REPRESENTED SAMUEL FRIEDMAN, AND HE

JUL 31 1985

FBI NEW YORK

PAGE TWO DE NY 0164 UNCLAS

ASKED THE PURPOSE OF THE REQUESTED INTERVIEW WITH FRIEDMAN. WHEN ADVISED THAT FRIEDMAN WOULD BE ASKED ABOUT HIS DEALINGS WITH MASSELLI AND GALIBER. [REDACTED] ADVISED THAT HE ALSO REPRESENTED JOSEPH IMBRUGLIA AND HE WAS CONCERNED ABOUT THE POSSIBLE CONFLICT OF INTEREST BETWEEN THE TWO CLIENTS. WRITER TOLD [REDACTED] HE COULD CONTACT AUSA [REDACTED] SOUTHERN DISTRICT OF NEW YORK (SDNY), CONCERNING THIS MATTER.

A SHORT TIME AFTER THIS PHONE CALL, WRITER WAS IN AUSA [REDACTED] OFFICE TO DISCUSS INTERVIEWS IN THIS CASE AND [REDACTED] CONTACTED [REDACTED] BY PHONE. [REDACTED] WAS ADVISED THE GENERAL PURPOSE OF THE INTERVIEW OF FRIEDMAN AND THAT WRITER, AND OTHER AGENTS, WISH TO INTERVIEW IMBRUGLIA AS WELL. [REDACTED] TOLD [REDACTED] HE WOULD NOT ALLOW IMBRUGLIA TO BE INTERVIEWED AND THAT HE WOULD FIND APPROPRIATE COUNSEL FOR FRIEDMAN AND HAVE THAT COUNSEL CONTACT AUSA [REDACTED]

AUSA [REDACTED] WAS ADVISED THAT JOSEPH GALIBER, WILLIAM MASSELLI, PHILIP BUONO, AND JOSEPH BUGLIARELLI, WERE ALSO PROBABLE INTERVIEW SUBJECTS. [REDACTED] ADVISED THAT HE WOULD CONFER WITH [REDACTED]

PAGE THREE DE NY 0164 UNCLAS

[REDACTED] DEPARTMENT OF JUSTICE, AND ADVISE OF THEIR JOINT DECISION.

[REDACTED] TELEPHONICALLY CONTACTED WRITER AND ADVISED THAT NO  
INTERVIEWS SHOULD BE CONDUCTED IN THIS MATTER.

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NY WILL PREPARE A SUMMARY MEMO FOR ASAC STOREY, IN ANTICIPATION  
OF PRESENTATION OF THIS CASE TO AUSA [REDACTED] FOR DECLINATION.

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JUL 31 1985

FBI NEW YORK

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IMMEDIATE

UNCLAS

7/25/85

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IMMEDIATE

NEW YORK (194A-500) (P) (TUMCON SPECIAL)

IMMEDIATE

DIRECTOR-FBI (194-5247) ( )

01552

ATTN: FBIHQ SUPERVISOR

ATTN: FBIHQ SUPERVISOR

BT

UNCLAS

WILLIAM MASSELLI; JOSEPH GALIBER; BRIBERY; OO: NEW YORK

REFERENCE NEW YORK TELETYPE TO BUREAU, DATED JULY 12, 1985; NEW YORK TELETYPE TO BUREAU, DATED JUNE 25, 1985; AND BUREAU TELETYPE TO NEW YORK, DATED JUNE 28, 1985, CAPTIONED "30 AREAS OF INVESTIGATION RESULTING FROM THE REVIEW OF TUMCON FILE."

ON JULY 24, 1985, WRITER WAS TELEPHONICALLY CONTACTED BY [REDACTED]  
[REDACTED] WHO ADVISED THAT HE REPRESENTED SAMUEL FRIEDMAN, AND HE

1 - New York  
1 - Supervisor TUMCON  
HJM:iap009V4

(2) JAP

Approved: [REDACTED]

Transmitted

207/0164

Per

NOTE: AFTER APPROVAL, PLEASE ROUTE THIS DOCUMENT BACK TO THE WORD PROCESSING SUPERVISOR, NOT TO THE TELETYPE ROOM.

WP Initials: [REDACTED]

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ASKED THE PURPOSE OF THE REQUESTED INTERVIEW WITH FRIEDMAN. WHEN ADVISED THAT FRIEDMAN WOULD BE ASKED ABOUT HIS DEALINGS WITH MASSELLI AND GALIBER, [REDACTED] ADVISED THAT HE ALSO REPRESENTED JOSEPH IMBRUGLIA AND HE WAS CONCERNED ABOUT THE POSSIBLE CONFLICT OF INTEREST BETWEEN THE TWO CLIENTS. WRITER TOLD [REDACTED] HE COULD CONTACT AUSA [REDACTED] SOUTHERN DISTRICT OF NEW YORK (SDNY), CONCERNING THIS MATTER.

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AUSA [REDACTED] WAS ADVISED THAT JOSEPH GALIBER, WILLIAM MASSELLI, PHILIP BUONO, AND JOSEPH BUGLIARELLI WERE ALSO PROBABLE INTERVIEW SUBJECTS. [REDACTED] ADVISED THAT HE WOULD CONFER WITH [REDACTED] DEPARTMENT OF JUSTICE, AND ADVISE OF THEIR JOINT DECISION.

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[REDACTED] TELEPHONICALLY CONTACTED WRITER AND ADVISED THAT NO INTERVIEWS SHOULD BE CONDUCTED IN THIS MATTER.

NY WILL PREPARE A SUMMARY MEMO FOR ASAC STOREY, IN ANTICIPATION OF PRESENTATION OF THIS CASE TO AUSA [REDACTED] FOR DECLINATION.

194A-500-95

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JUL 31 1985

FBI NEW YORK

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APPROVED:

REC'D:

DO

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

MEMORANDUM

DATE: 7/31/85

TO : ADIC, NEW YORK (194A-500)

FROM : SA [redacted] (TUMCON SPECIAL)

b6  
b7C

SUBJECT: WILLIAM MASSELLI;  
JOSEPH GALIBER;  
BRIBERY;  
OO:NY

This case concerns the alleged bribery of New York State Senator, JOSEPH GALIBER by the late ALPHONSE "SONNY RED" INDELICATO to introduce a bill to minimize a parolee's term of imprisonment upon conviction for a crime committed while he was on parole. [redacted]

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Additionally, surveillances were conducted during which MASSELLI, IMBRUGLIA, GABLER and SAM FRIEDMAN (an IMBRUGLIA associate) met and again when MASSELLI and INDELICATO met. This file also contains an FD 302 of interview with ALPHONSE INDELICATO on February 20, 1980, during which he denied any plot to bribe GALIBER concerning the "returned parolee's bill".

Writer has conducted complete New York indices checks on JOSEPH GALIBER, WILLIAM MASSELLI, JOSEPH BUGLIARELLI, SAMUEL FRIEDMAN, JOSEPH IMBRUGLIA, and PHILIP BUONO, with no new information concerning this alleged bribe being found.

AUSA [redacted] Southern District of New York, was contacted on July 24, 1985, advised of the facts, as known,

1 - Supv. TUMCON SPECIAL

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WJM:taf  
(2)

PRESENT TO AUSA

[redacted] 7/31/85

NY 194A-500

of this case and the possible interview of the above listed persons was discussed. After consultation with [redacted] Department of Justice, [redacted] advised that no further interview should be conducted in this matter. Inasmuch as there are no other investigative leads to be taken, this matter will be represented to AUSA [redacted] for a prosecutive opinion.

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194A-500-96

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JUL 31 1985

FBI - NEW YORK

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

MEMORANDUM

DATE: 7/31/85

TO : ADIC, NEW YORK (194A-500)

b6  
b7C

FROM : SA [redacted] (TUMCON SPECIAL)

SUBJECT: WILLIAM MASSELLI;  
JOSEPH GALIBER;  
BRIBERY;  
OO:NY

On July 24, 1985, writer was telephonically contacted by [redacted] who advised that he represented SAMUEL FRIEDMAN and asked the purpose of the requested interview with FRIEDMAN.

When advised that FRIEDMAN would be asked about his dealings with MASSELLI and GALIBER, [redacted] advised that he also represented JOSEPH IMBRUGLIA and he was concerned about a possible conflict of interest between the two clients.

Writer told [redacted] he could contact AUSA [redacted] [redacted] Southern District of New York, concerning this matter.

A short time after this phone call, writer was in AUSA [redacted] office to discuss interviews in this case and [redacted] contacted [redacted] by phone. [redacted] was advised of the general purpose of the interview of FRIEDMAN and that writer, and other agents, wish to interview JOSEPH IMBRUGLIA as well. [redacted] told [redacted] he would not allow IMBRUGLIA to be interviewed and that he would find appropriate counsel for FRIEDMAN and have that counsel contact AUSA [redacted]

AUSA [redacted] was then advised that JOSEPH GALIBER, WILLIAM MASSELLI, PHILIP BUONO and JOSEPH BUGLIARELLI were also probable interview subjects. [redacted] advised that he would confer with [redacted] Department of Justice, and advise of their joint decision.

1 - Supv. Tumcon Special  
HJM:taf  
(2)

NY 194A-500

AUSA [redacted] telephonically contacted writer and advised that no interviews should be conducted in this matter.

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(Indicate page, name of newspaper, city and state.)

Date: 7/31/85  
Edition: Daily news New York  
New York, p. 3.

Title:

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Classification:

Submitting Office: New York

Indexing:

194A-500-97

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# Senate unit eyes \$ Tunnel probe widens

By HARRISON RAINIE  
and RICHARD SISK

The Senate joined the growing list of agencies investigating the 63d St. subway tunnel yesterday with the announcement that hearings will be held on how \$580 million in federal funds was spent on the waterlogged project.

A spokesman for Sen. Mark Andrews (R-N.D.), chairman of the transportation appropriations subcommittee, said that Andrews would order the hearings. No time or place for the hearings has been set, but it was expected that the subcommittee

would hold them in New York after Labor Day when Congress returns from its August recess.

A spokesman for the Metropolitan Transportation Authority said, "The Senate has a right to investigate where federal funds are involved," but added that "there are no secrets on how the money was spent."

MORE THAN \$800 million in federal, state and city funds has been invested in the project, with \$580 million coming from the federal Urban Mass Transportation Administration.

UMTA last week suspended an additional \$313

million for the tunnel until an independent consultant reviews its structural integrity. Recent inspections disclosed that the lower-level sections of the two-tier tunnel had been under 5 feet of water.

In June, Sen. Alfonse D'Amato (R-N.Y.) met with Brooklyn U.S. Attorney Raymond Dearie to request an investigation into possible criminal mismanagement of the project.

An investigation by Bronx District Attorney Mario Merola last year led to the

fraud and conspiracy indictment of Schiavone Construction Co., a main contractor for the tunnel, and then-Labor Secretary Raymond Donovan, who had been executive vice president of Schiavone.

MTA Chairman Robert Kiley has asked MTA Inspector General Sanford Russell to conduct an investigation of the entire project, and aspects of the project are also being probed by the FBI, the federal Organized Crime Task Force and the federal Department of Transportation.

## Schiavone drops EPA bids

By RICHARD T. PIENCIAK

The Schiavone Construction Co., along with former Labor Secretary Raymond Donovan and other company officials, agreed yesterday not to bid on U.S. Environmental Protection Agency projects pending the outcome of the New Jersey firm's fraud indictment for work done on the 63d St. subway project.

The "statement of understanding" avoids a formal suspension or disbarment, according to EPA representative Elly Seng. Schiavone has recently submitted bids on several new EPA-funded projects. Those bids, Seng said, will be withdrawn.

Seng characterized the pact as a "consent agreement." But sources told the Daily News that the firm agreed to refrain from bidding only after EPA officials threatened to formally bar it from doing business with the agency, which frequently processes funding for major sewage treatment projects.

Seng said the agreement will remain in effect until completion of the Bronx case. The 137-count indictment in that case, still in the pretrial stage, charges that Schiavone and its officers filed false records with the Transit Authority and the federal Urban Mass Transportation Administration regarding the work of minority subcontractors on the \$800 million 63d St. subway tunnel project.

Daily News  
Database

7-31-85



# HIS LIPS ARE SEALED

## Donovan witness claims up - 146 times

By RICHARD SISK

A Bronx courtroom echoed to the drumbeat recitation of the Fifth Amendment yesterday as an admitted mob hitman clammed up about evidence in the fraud and conspiracy case against former Labor Secretary Raymond Donovan.

Donovan watched quietly as Michael Orlando, 44, invoked his constitutional right against self-incrimination 146 times during a pre-trial hearing before Bronx Supreme Court Justice John Collins.

The hearing focused on a challenge by Donovan's former firm,

Schiavone Construction Co., to the admission into evidence of federal wiretaps gathered in the probe of Donovan and the firm. Some tapes had mob figures discussing murders, drug dealing and political corruption.

Orlando has been a federal infor-

mant since 1978, but his lawyer, David Gould, said he told his client to claim up because he feared federal officials would "harry Michael" with a series of separate criminal charges.

On the advice of counsel, Mr. Gould, and his lawyer, Robert Kasa, asked by defense lawyer Robert Kasa, not: "Are you going to claim the Fifth to every question?"

Outside court, Donovan ridiculed Orlando, a key witness in the case involving the alleged theft of \$74 million for work Schiavone did on the troubled 63d St. subway tunnel.

"It disgusts me, this lying person,"

Donovan said. "He's a damned liar."

Orlando, who taught briefly at a public elementary school in Shirley,

Raymond Donovan, outside court,

John Penn Daily News

(Indicate page, name of newspaper, city and state.)

page 17,  
DAILY NEWS,  
new York  
22

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Date:  
Edition:

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Submitting Office:

NEW YORK

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FBI/DOJ

LL, in the 1960s, has testified about alleged meetings Donovan had with him and other reputed mobsters at the Super Bowl and other places. Donovan attacked authorities for giving Orlando immunity despite Orlando's admission to several crimes, including a federal murder. "I'm not worried about this case," said Donovan. "I'm worried about my reputation, and he (Orlando) has ruined it. And he'll be walking out the door free. It's amazing." Donovan, Schiavone and several other of the firm's officers were indicted last year on charges brought by Bronx District Attorney Mario Merola, alleging that the defendants conspired to defraud the Transit Authority through an arrangement with Jo-Pel Construction and Trucking Co., headed by reputed mobster, Pele Lugino, William "Billy the Butcher" Massell, and State Sen. Joseph Galk.

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NEWSDAY  
NYC, NY  
page 15

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or  
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Submitting Office:

Indexing:

8/9/85

ew York

# Agent Denies Newsday Donovan Case Memo

By Thomas J. Maier

An FBI agent, testifying yesterday at a pre-trial hearing in the Raymond Donovan case, said he had not written or initiated a key memo attributed to him. The memo, on which the agent's name is misspelled, recommended ending an investigation into a hijacking in which FBI informant Michael Orlan- do had participated.

Justice John Collins, who is presiding at the hearing in State Supreme Court in the Bronx, told lawyers that FBI agent Stephen Morrill's surprise testimony had "ominous" overtones.

At issue in the hearing is whether tapes from a wiretap from the FBI's TUMCON organized-crime probe, in which Orlando was involved, can be used as evidence in the Donovan case. The tapes are part of Bronx District Attorney Mario Merola's case against Donovan — a former U.S. secretary of labor and former executive of the Schiavone Construction Co. — and eight others charged with grand larceny and fraud in the construction of the 63rd Street subway tunnel.

After yesterday's testimony by Morrill, a defense witness, defense lawyers charged outside the court room that the memo had been written by other FBI

agents to cover up their own misconduct as well as possible crimes by Orlando during the early stages of the TUMCON probe. The FBI has been conducting an internal inquiry into possible misconduct by FBI agents in the failed probe.

Much of the testimony yesterday centered on a Nov. 30, 1978, meat hijacking in the Bronx, which the FBI and Justice Department officials used in January, 1979, to gain a federal judge's permission to set up the wiretap.

Taking the stand for the second day, Morrill testified that he had stopped investigating the meat hijacking about Dec. 5, 1978, after other FBI agents, who would form the TUMCON investigating squad, said the hijacking was related to their "sensitive" investigation. "When they [the other FBI agents] took it over, they'd consolidated it into their case," Morrill said yesterday.

Morrill expressed surprise when on Wednesday he was handed an FBI memo that he supposedly had written and initialed. It was dated Feb. 12, 1979 — two months after he stopped investigating the hijacking, he said. The memo, a copy of which was obtained by Newsday, recommended that the hijacking case be "closed administratively" because there was no sign of an interstate

crime," which would allow federal prosecution. Morrill testified Wednesday and yesterday that he had not written the memo. "I have no specific recollection of writing the memo," Morrill said. "I was not the author of it." Morrill pointed out that his first name appears typed on the memo as "Stephan" instead of "Stephen," its correct spelling. He said the initials were not in his handwriting. About the "M" initial for his last name, Morrill said yesterday: "That M sweeps up, and my Ms don't sweep up."

Morrill said that on Wednesday he contacted his former supervisor, Milt Aldrich, whose initials also appear on the document. Morrill said Aldrich told him he never saw or initialed any such memo.

In court, Bronx Assistant District Attorney Stephen Bookin stressed Morrill's testimony, in answer to a hypothetical question, that the "most easy way" to end an investigation would be to administratively close it, as recommended in the memo.

Defense attorneys have claimed that FBI agents in the TUMCON probe urged Orlando to commit the meat hijacking so they could gain the legal grounds to begin a wiretap in a Bronx warehouse; the two agents who worked with Orlando have denied that

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OUTBOX.23 (#3979)

TO: HQ1 @ SAMNET-EMH

FROM: NY @ SAMNET-EMH

SUBJECT: 221/133 IMMEDIATE

DATE: 9 AUG 85 20:45:10 EDT

CC:

TEXT: VZCZCNY0133

OO HQ

DE NY #0133 2212020

ZNY UUUUU

R 091809Z AUG 85

FM FBI NEW YORK (194A-500) (P) (TUMCON SPECIAL)

TO DIRECTOR FBI (194-5247) (P) IMMEDIATE

ATTN: FBIHQ SUPV. [REDACTED]

ATTN: FBIHQ SUPV. [REDACTED]

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BT

UNCLAS

WILLIAM MASSELLI: JOSEPH GALIBER: BRIBERY: OO: NY

REFERENCE NEW YORK TELETYPE TO BUREAU, DATED JULY 25, 1985.

THIS MATTER HAS BEEN PRESENTED TO AUSA [REDACTED]

SOUTHERN DISTRICT OF NEW YORK, FOR PROSECUTIVE OPINION AND HE

DECLINED PROSECUTION DUE TO THE LACK OF EVIDENCE AND EXPIRATION OF  
THE STATUTE OF LIMITATIONS.

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THE BUREAU BY AIRTEL.

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8/9/85

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IMMEDIATE  
NEW YORK (194A-500) (P) (TUMCON SPECIAL)  
IMMEDIATE  
DIRECTOR FBI (194-5247) (P)  
ATTN: FBIHQ SUPV.  2045  
ATTN: FBIHQ SUPV.

BT  
UNCLAS

WILLIAM MASSELLI; JOSEPH GALIBER; BRIBERY; OO:NY

REFERENCE NEW YORK TELETYPE TO BUREAU, DATED JULY 25, 1985.

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SOUTHERN DISTRICT OF NEW YORK, FOR PROSECUTIVE OPINION AND HE  
DECLINED PROSECUTION DUE TO THE LACK OF EVIDENCE AND EXPIRATION OF  
THE STATUTE OF LIMITATIONS.

1 - New York 194A-500  
1 - Supervisor TUMCON SPECIAL  
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FBI NEW YORK	
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Approved:  Transmitted 221/133 Per                   

NOTE: AFTER APPROVAL, PLEASE ROUTE THIS DOCUMENT BACK TO THE WORD  
PROCESSING SUPERVISOR, NOT TO THE TELETYPE ROOM.

WP Initials:

A DECLINATION LETTER IS BEING PREPARED AND WILL BE FORWARDED TO  
THE BUREAU BY AIRTEL.

194A-500-101

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FBI - NEW YORK	
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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

26 Federal Plaza  
New York, New York 10278

August 5, 1985

Honorable Rudolph Giuliani  
U.S. Attorney  
Southern District of New York  
One St. Andrews Plaza  
New York, New York 10007

b6  
b7C

Attn: Assistant U.S. Attorney, [redacted]

Re: Joseph Galiber  
William Masselli

Dear Sir:

This letter will confirm a meeting between Special Agent [redacted] of the Federal Bureau of Investigation and AUSA [redacted] Southern District of New York, on August 1, 1985.

During this meeting, AUSA [redacted] was advised of the results of this investigation. He was told that a search of New York files had failed to disclose any new information regarding this matter and that a subject of this investigation had previously denied any involvement in attempts to bribe Joseph Galiber. No interviews were conducted as per [redacted] directions.

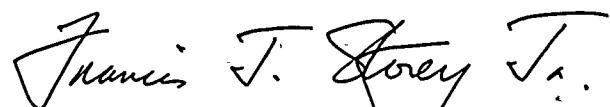
At the conclusion of this meeting, [redacted] declined

Hand carried to AUSA  
on 8/7/85  
By SA [redacted]

prosecution on this matter, due to the lack of evidence and the expiration of the statute of limitations.

Sincerely yours,

THOMAS L. SHEER  
Special Agent in Charge  
Criminal Division

By: 

FRANCIS J. STOREY, JR.  
Assistant Special Agent in  
Charge  
Criminal Division

194A-500-101

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

26 Federal Plaza  
New York, New York 10278

August 5, 1985

Honorable Rudolph Giuliani  
U.S. Attorney  
Southern District of New York,  
One St. Andrews Plaza  
New York, New York 10007

b6  
b7C

Attn: Assistant U.S. Attorney, [redacted]

Re: Joseph Galiber  
William Masselli

Dear Sir:

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At the conclusion of this meeting, [redacted] declined

2 - Addressee  
1 - New York (183-2425)  
HJM:taf  
(4)

HAND CARRIED TO AUSA  
[redacted] ON 8/7/85  
By SA [redacted]

prosecution on this matter, due to the lack of evidence and the expiration of the statute of limitations.

Sincerely yours,

THOMAS L. SHEER  
Special Agent in Charge  
Criminal Division

By: *Francis J. Storey Jr.*  
FRANCIS J. STOREY, JR.  
Assistant Special Agent in  
Charge  
Criminal Division

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

26 Federal Plaza  
New York, New York 10278

August 5, 1985

Honorable Rudolph Giuliani  
U.S. Attorney  
Southern District of New York  
One St. Andrews Plaza  
New York, New York 10007

b6  
b7C

Attn: Assistant U.S. Attorney, [redacted]

Re: Joseph Galiber  
William Masselli

Dear Sir:

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At the conclusion of this meeting, [redacted] declined

197A-500-101  
HAND CARRIED TO AUSA  
ON 8/7/85  
By SA [redacted] [redacted]

197A-500-101

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AUG 13 1985	
FBI - NEW YORK	
[redacted]	

197A-500-101

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Sincerely yours,

THOMAS L. SHEER  
Special Agent in Charge  
Criminal Division

By:

FRANCIS J. STOREY, JR.  
Assistant Special Agent in  
Charge  
Criminal Division

Received 8/7/81  
FBI, ALB

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

26 Federal Plaza  
New York, New York 10278

August 5, 1985

Honorable Rudolph Giuliani  
U.S. Attorney  
Southern District of New York  
One St. Andrews Plaza  
New York, New York 10007

b6  
b7c

Attn: Assistant U.S. Attorney, [redacted]

Re: Joseph Galiber  
William Masselli

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At the conclusion of this meeting, [redacted] declined

194-500-101  
HAND CARRIED TO AUSA  
ON 8/7/85  
By SA [redacted]

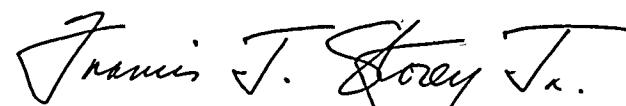
194-500-101

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AUG 13 1985	
FBI - NEW YORK	
[redacted]	

prosecution on this matter, due to the lack of evidence and the expiration of the statute of limitations.

Sincerely yours,

THOMAS L. SHEER  
Special Agent in Charge  
Criminal Division

By: 

FRANCIS J. STOREY, JR.  
Assistant Special Agent in  
Charge  
Criminal Division

Received 8/7/81  
FUSA

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b7C

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

AIRTEL

DATE: 8/12/85

TO : DIRECTOR, FBI (194-5247)  
ATTN: SPW [REDACTED]

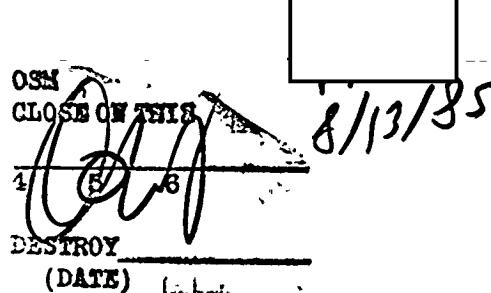
FROM : ADIC, NEW YORK (194A-500) (C)

SUBJECT: WILLIAM MASSELLI;  
JOSEPH GALIBER;  
BRIBERY;  
OO:NY

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b7C

Enclosed for the Bureau is a copy of the declination letter hand carried to AUSA [REDACTED] on August 7, 1985 and received by [REDACTED] on that date.

New York has placed this case in closed status.



2 - Bureau (194-5247) (Encl. 1)  
1 - New York (94A-500)

HJM:taf

(4)

*N/Jan*

194A-500-102

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Review file and index

# News Week in Review

## INFORMATION

By Rita Giolli  
Newspaper Washington Bureau  
Washington — A Justice Department official has notified Michael Orlando, a mob informer who is a key figure in the fraud case against former U.S. Labor Secretary Raymond Donovan, that he may be thrown out of the federal witness protection program because he refused to cooperate with the defense.

The warning was contained in a letter sent to Orlando's lawyer, David Gould, by Paul Coffey, deputy chief of Justice's organized crime and racketeering section. Coffey said that Orlando had an obligation to testify "fully and truthfully with the parties" in the state case against Donovan in the Bronx. Orlando, 43, was subpoenaed to testify as a witness by defense attorneys at a pretrial hearing on the validity of FBI wiretaps that Bronx District Attorney Mario Merola seeks to use against Donovan, a former executive of Schiavone Construction of New Jersey, and nine others.

Orlando was to be the star witness in the eight-week hearing. Instead, Orlando, who was not granted immunity for his testimony, took the Fifth Amendment 146 times while on the stand in the Bronx last month. Orlando, a reputed mob hitman turned FBI informant, was asked by the defense if he had lied in making allegations against Schiavone and its officers, who are accused of grand larceny and filing a false report concerning a minority subcontractor on a subway project.

In his one-page letter, a copy of which was obtained by Newsday, Coffey referred to Orlando's repeated taking of the Fifth when he was called as a defense witness on July 31.

"In order to maintain good standing therein [in the witness protection program] Mr. Orlando is required to cooperate in all cases and matters and comply with all conditions agreed upon between your client and the United States; at the time he entered the Program, Mr. Orlando was and is required to cooperate fully and truthfully with the parties in People v. Schiavone in order to maintain his status as a federally protected witness. Failure to provide such cooperation may result in termination of your client from the Program," wrote Coffey. Coffey did not return a reporter's calls. His boss, Stephen Trott, head of the department's criminal division, said it would be inappropriate for him to comment about any action being taken against Orlando because Orlando is involved in the Donovan case. Both the FBI and the Justice Department have been extremely reluctant to discuss the Donovan case for fear of influencing it in any way.

According to Bookin, Coffey said that the racketeering case might be built, in part, on Orlando's

admission to federal prosecutors that he committed arson in the early 1980s. Orlando made that admission as a condition for getting into the witness protection program, law enforcement sources said.

During the discussions in court last week about Orlando's testimony, Gould said it was doubtful that state immunity would protect Orlando against possible federal charges.

Yesterday, Gould said, "It was Coffey's threats to a great extent that made Michael take the Fifth Amendment to begin with."

He accused Coffey of "setting Orlando up" so he could remove him from the program. "They are doing everything they can to discredit Michael so they don't have to clean up the mess that they have," charged Gould. The Justice Department and the FBI have been conducting internal inquiries into what went wrong in a failed organized-crime probe, code-named TUMCON, that was based on Orlando's operation.

Gould said that Orlando's oral agreement with federal prosecutors requires that he testify "for the government" and not for the defense.

Gould said he was very worried about Orlando's safety if he was returned to the street, without the federal witness program's protection and aid in getting a new identity. "As far as I am concerned, they will be as much responsible for Michael's murder as the guy who pulls the trigger," said Gould.

According to Gould, Orlando is still in custody at a federal prison in upstate New York and in the witness program.

(Indicate page, name of newspaper, city and state.)

1 NE WS DAY,  
NYC, NY

Date:  
Edition:

Title:

Character:  
or  
Classification:  
Submitting Office:

Indexing:

new York

194A-500-103

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Received 8/19/85 20

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

MEMORANDUM

DATE: 8/13/85

TO : ADIC, NEW YORK

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b7C

FROM : SA [redacted] (TUMCON SPECIAL)

SUBJECT: TUMCON

On August 8, 1985, Special Agent [redacted] telephonically contacted FBIHQ Supervisor [redacted] and discussed any closing reporting requirements concerning these various twenty-nine cases. (Review of MIOG indicates in some instances (58's, 206's, 207's, etc.) closing LHM's should be submitted to FBIHQ. Supervisor [redacted] stated that as indicated previously, normal reporting requirements for the TUMCON special are being met by the bi-weekly summary teletypes and normal reporting requirements do not apply, i.e., no LHM's are required to be submitted in closing cases for this matter.

1 - Supv. TUMCON SPECIAL  
DRW:taf  
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